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April 26, 2005

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Sharla Dillon, Docket Room Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Via Hand Delivery

Re: Petition of Lynwood Utility Corporation for Approval of Transfer and Control
Nunc Pro Tunc
Docket No. 04-00360

Dear Ms. Dillon

I have enclosed for filing an original and fourteen copies of the Response of Lynwood Utility Corporation to the Staff's April 19, 2005 Letter Request in this docket. I have enclosed an extra copy which I would appreciate your returning to me stamped filed. Thank you for your assistance in this matter.

Sincerely yours,

Donald L. Scholes

DONALD L. SCHOLES

Enclosure

c. Tyler Ring
James Ford

BEFORE THE TENNESSEE REGULATORY AUTHORITY

Nashville, Tennessee

In re: PETITION OF LYNWOOD UTILITY)
CORPORATION FOR APPROVAL)
OF TRANSFER AND CONTROL) DOCKET NO. 04-00360
***NUNC PRO TUNC*)**

PETITIONER'S RESPONSE TO STAFF'S APRIL 19, 2005 LETTER REQUEST

Comes now Lynwood Utility Corporation (Lynwood) and files this Response to the Staff Request set forth in its April 19, 2005, letter to counsel for Lynwood

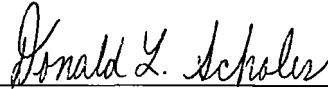
1 Do you anticipate that Lynwood would have paid off the principal amount of \$980,000 plus accrued interests by June 30, 2005? If that is not the case, will Lynwood request Authority approval of the loan consistent with T.C.A. § 65-4-109?

Response: Lynwood does not anticipate paying off the \$980,000 principal amount of the Promissory Note plus accrued interest by June 30, 2005. Lynwood intends to obtain long term financing from a lender with a ten to twenty year pay off schedule to pay off this Note and will file a petition with the Authority under T.C.A. § 65-4-109 to obtain approval of such long term financing before such debt is issued. Lynwood cannot obtain a commitment from a lender for such long term financing until the Authority acts on the pending Petition in this docket. Once such approval is obtained, Lynwood anticipates obtaining such long term financing conditioned upon the Authority's approval of the long term loan and will be filing a petition to approve such long term loan. Lynwood has already contacted some long term lenders about the terms and

conditions for a long term loan to pay off the short term loan evidenced by the Note, but no lender is willing to make a commitment to Lynwood until the Petition in this docket is approved.

Dated this 26th day of April, 2005.

Respectfully submitted,



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